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THE MIDDLE EAST

A REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

BY

SENATOR CHARLES H. PERCY, Chairman

AUGUST 1982

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LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

To the Members of the Committee on Foreign Relations:

During the December–January recess, I visited fourteen Middle Eastern nations including Israel and two-thirds of the Arab States. I chose to devote this much time to the region because of its importance to the security and economic stability of the West. During my extensive and detailed discussions with leading personalities, I sensed a growing concern about the course of events and the fear that recent progress toward peace could be seriously disrupted. The failure to make progress on the Palestinian autonomy negotiations, the threat of war in Lebanon and the Iraq-Iran conflict were cited as principal causes of instability.

I was warmly received in all the nations visited. Each leader was eager to present his opinion. I was struck by the differing perspectives that each of the parties had on key issues. Consequently, I have chosen to submit a report which reflects the differing views of the people with whom I met.

Visiting as many nations as this, I had the opportunity to talk with many of our Foreign Service officers and other Government employees who represent the United States overseas. They were professional and helpful, despite the extra work and long hours created by my visit. The United States is certainly well served by these dedicated men and women.

Sincerely,

CHARLES H. PERCY,
Chairman.

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PROLOGUE TO TRIP REPORT

I have decided to make public the report of my trip to the Middle East last winter. Some of my observations have been overtaken by events, but I believe that most remain pertinent and may provide some useful perspectives.

In the 6 months since I visited the Middle East, the remainder of the Sinai has been returned, Iraqi forces have withdrawn from Iran, Iranians have crossed into Iraq, and Israel has invaded Lebanon. Because of the rapidity with which circumstances change in the region, formulation of foreign policy naturally tends to focus on resolving the crisis at hand. In so doing, perspective is lost.

The report was written prior to Israel's invasion of Lebanon, so there is no specific assessment of the impact of that action on U.S. interests in the region. Nonetheless, I believe that the insights I gained are still relevant to the crucial period that lies ahead, as all foreign military forces are withdrawn from Lebanon and efforts are made to restart the autonomy talks.

Fundamental issues affected by the exigencies of the moment, remain remarkably constant. The Palestinian issue still must be resolved. More Arab states must be brought into the Camp David peace process. And ways must be found to restore mutual confidence in our relations with Israel.

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Section I

ARAB-ISRAELI OVERVIEW

The Middle East, of all the regions of the world, has the greatest potential for causing a serious international conflict. Even in times of relative calm, the clouds of war can be seen. The region has historically been torn by strife and recent events have created greater instability. Angry propaganda, surprise raids, random rocketing, massing of weaponry, vindictive U.N. resolutions, fears and anxiety contribute to an atmosphere of expectancy—expectancy of ultimate disaster. It was against this background that I returned to the Middle East on a study trip during the Senate recess, December 17, 1981 to January 21, 1982. I visited the leaders of 14 nations including Israel and two-thirds of the Arab states, comprising 75 percent of the population of the Arab world.

I chose to devote so much time and effort to this region because I believe that American foreign policy will face some of its most serious challenges and be offered some of its greatest opportunities in this area during the 1980's. How we formulate our Middle Eastern foreign policy will, to a great extent, determine our ability to maintain our standing as not only the world's most powerful political, economic and moral force for freedom, but as a great nation that uses its power wisely, effectively and with understanding and compassion.

The policies we choose will have a lasting impact on our relations with the Arabs, the Israelis, the Soviets and our allies. The policies we choose will have a lasting impact on whether the free world continues to look to the United States for leadership that is forceful and fair. If we do not adopt a forward-looking policy toward this region, events could jeopardize world peace and global economic stability, undermine relations with our Middle Eastern friends and open the door for further extension of Soviet influence in this vital region of the world.

United States-Israel Relations.—All parties must try to understand that the United States' relationships in the Middle East have been premised on a strong bond of friendship with Israel. American-Israeli friendship is founded in a broad range of common interests, values, and heritage. Close cooperation can benefit both our nations. As the only Western-style democracy in the Middle East, Israel and the United States share a system of government and political expression which gives us special understanding of the political processes critical to each other's security. Our two nations are also bound by close links between our peoples.

Israel is a country that has sparked the imagination of the American people. The struggle for the formation of the State of Israel in the wake of the holocaust in Europe has had a major influence upon the

lives of millions of Americans. What the Israeli people have accomplished in a few short decades is truly impressive. From the Galilee in the north to the Negev in the south, available land is put to maximum use. The Israeli nation has produced some of the world's foremost medical researchers, scientists, scholars, farmers, and irrigationists who, on occasion, have shown their willingness to share their experiences to benefit others. One of the great dividends of peace would be their sharing scientific and technical knowledge with other nations and peoples in the region.

Despite all that binds us together, recent years have been marked by a growing number of serious differences between our two nations. At times, and I view this as very unfortunate, disagreements have tended to obscure all that we have in common. For this reason, during my discussions in Israel, I persuaded Prime Minister Begin, Defense Minister Sharon and other leading Israelis to agree to reduce the level of critical rhetoric between friends and to settle our differences through quiet, serious discussions among ourselves. We also began defining the term "defensive use" of American weapons under the 1952 agreement. The failure of the United States and Israel to agree on the use of American-supplied weapons beyond Israel's recognized 1967 borders is a primary cause of recent friction in our bilateral relationship. No doubt should exist in Israeli minds or American minds as to the view of the other.

Real differences between the Israelis and ourselves remain and are of great concern. The issues involve no less than the questions of how the security of Israel can best be assured and what kind of Israeli policy the United States is being asked to support. The premise on which the United States has operated since the 1967 war is that Israel would essentially withdraw from territory occupied in that war in exchange for a genuine negotiated peace, secure borders, and normal relations with its neighbors, especially including recognition of the permanent sovereignty of the State of Israel. Many Israeli policies today—continued and expanded settlement in occupied territories and the quasi-annexation of those territories—raise questions about whether Israeli policy is based on the same premise. Failure to agree on this underlying premise threatens to create further misunderstanding between the United States and Israel, and these misunderstandings can undermine the cause of peace in the region.

A genuine peace and assurance of Israeli security would be consistent with American, Israeli and Arab interests. Prolonged conflict is not. Certain Israeli acts seriously harm our relations with Israel's neighbors, yet a strong American position throughout the Middle East is in Israel's interest as well as our own.

The United States is the leader of the free world. We have global interests and responsibilities. Those interests include the security of Israel. Israel has seen United States willingness to fully support them against overwhelming opposition when we believe they are right. But Israel cannot expect the United States to continue isolating itself from the world community by defending policies and actions with which we do not agree. The Israelis must stop "surprising" us with acts that are harmful to U.S. interests and damaging to the Middle East peace process.

The Israelis, for their part, have been honestly surprised by the harsh American response to some of their actions. They did not understand why they were being "punished," as Israelis termed it, for the application of Israeli law to the Golan Heights by the decision not to implement the United States-Israeli memorandum of understanding on strategic cooperation. Prime Minister Begin claimed that this should have been no surprise because this action was called for in his party's program discussion in an open session of the Knesset in August 1981. Nevertheless, the action taken by the Israelis and the United States response were a surprise and shock to both sides.

Communication between our two governments must be improved. We are often talking to each other, but we are not hearing each other. We are not talking directly and clearly about what our basic assumptions and objectives are. The Israelis should have been aware in advance to what extent the United States would react and the U.S. Government should have been aware of the imminence of the Israeli intention to apply their law to the Golan Heights. Americans must realize that the Israelis will act and should act in their own national interest. The Israelis must realize that the United States, in turn, will and must act in our own national interest, consistent with our broader responsibilities. Israelis and Americans must understand the extent to which our interests overlap and the extent to which they diverge.

Further progress in the process of achieving peace between Israel and its neighbors is critical. I believe the only way progress will be made is for the U.S. Government to take an increasingly firm position and active leadership role. Steady progress toward peace in the Middle East is the surest way of preserving the long-term United States-Israel relationship and the relationship between the United States and key Arab states. During the past 20 years the well-being, stability and security of these states have become a vital national interest of the United States. It is also important to Israel to live among responsible neighbors able to maintain peace on Israel's borders and to conduct normal relations once peace is achieved. While all the Arab nations want a Palestinian state, none of the nations that I visited wants a radical Palestinian state under Soviet influence and a threat to peace and stability. Today more than 60 percent of all U.S. security assistance goes to two Middle Eastern countries, Israel and Egypt.

No group of nations in the world has experienced as rapid a transformation as have the Arab nations. These changes are based on the dominant position the Gulf States have assumed in the supply of energy to the industrialized world and the resulting wealth that has flowed to them and their fellow Arabs. The earlier and wealthier oil-producing states are entering a second phase in modernization. The accumulation of wealth has occurred at such a rapid pace that income from foreign investments sometimes approaches the revenue realized from oil exports. For example, Kuwait's per capita income from foreign investments last year nearly equalled that from the sale of petroleum. Huge government-owned foreign assets have made these states significant partners in the global financial system.

The United States and our European allies, therefore, find ourselves not only closely tied to the Arab Gulf States for our energy needs, but also for stability in our financial markets. Our interdependence will become even greater during the next decade.

Soviet Opportunities.—It is of great concern that the Middle East, which is so important to the United States and the West may be an area in which the Soviet Union and its allies have the opportunity to make significant advances during the 1980's. Along the entire border of the Soviet Union from Europe in the West to Japan and Korea in the East, the Middle East is the principal area where Soviet and American interests come into direct contact and where the limits of acceptable superpower action have not been determined. With the Soviet invasion of Afghanistan, the collapse of Iran, and the end of CENTO, the nature of the American response and that of our allies to Soviet action has become uncertain—uncertain in our minds, uncertain in Soviet minds and uncertain in the minds of the people of the region. This uncertainty can lead to serious miscalculations, and it is generally miscalculation which leads to war.

The Soviet Union presents a dual threat. The first is a direct military thrust such as the invasion of Afghanistan. The second is through expanded political influence and internal subversion. The former can never be ruled out; the latter is clearly the more immediate danger. In recent years, the Soviets have made significant advances by establishing alliances with Sy ia, Iraq, Libya, Ethiopia and South Yemen, and have made inroads ir Iran. Of even greater concern is that many nations in the region may not be as adamant as they once were in their rejection of enticing and seductive Soviet overtures.

American efforts to form a strategic consensus against Soviet actions have met a lukewarm response from most of the States of the region. This is not because moderate leaders do not appreciate the dangers posed by the Soviets. They certainly do. But they are even more concerned about the negative reaction of their own citizenry if they form too close an association with the United States. Anti-regime elements have had considerable success in promoting criticism of the leadership by tying their governments closely to the United States. Moderate leaders are, therefore, faced with the dilemma of either distancing themselves from the United States, or risking domestic support.

The single issue which creates the greatest strain in our bilateral relations and which is allowing the Soviets to make advances in this region is the widely held perception in the Arab world that the U.S. Government is not committed to a just and equitable settlement of the Arab-Israeli dispute, including a settlement of those grievances of the Palestinians that are reasonable and just. The United States special relationship with Israel is increasingly exploited by radical and anti-American elements through the Arab world and by the U.S.S.R.

Other issues also create bilateral problems for the United States and the Arab States and threaten our regional interests. Most prominent among these today is the Iraq-Iran war. This conflict threatens to spill over to the oil-producing states of the Arabian peninsula and is offering the Soviet Union the opportunity to expand its influence

as Iraq and Iran become increasingly dependent on Soviet assistance. Furthermore, a billion dollars a month is being squandered. This money could more usefully be spent to improve the well-being of the less wealthy states in the region such as the Sudan, Tunisia, Egypt, Jordan, Morocco and others.

Nevertheless, in virtually every substantive conversation I held in 13 Arab countries from Morocco to Kuwait to Oman to Lebanon, I heard the same refrain: "The United States does not have a balanced Middle East policy. Until that occurs we cannot be too closely associated with you."

The level of Arab concern has been increased in the past year by the continued Israeli policy of placing and expanding settlements on the West Bank, Israeli raids on Beirut and Baghdad, the application of Israeli law to the Golan Heights, and provocative overflights of Arab states. The failure of the United States meaningfully to oppose these measures has served to increase the false, but nonetheless generally held, Arab view that the United States supports, or at least makes no effort to prevent, Israel from taking these actions.

Need for Active U.S. Peacemaking Effort.—The time is now propitious for the United States to press ahead with a broadening of the peace process. The great step toward peace taken at Camp David by Presidents Carter and Sadat and Prime Minister Begin will not be erased from the pages of history. That achievement and the peace treaty which followed have changed the face of the Middle East in important ways. But the work so significantly advanced there is not done.

The final Israeli withdrawal from the Sinai is a major milestone in completing the first phase of the Camp David process. Both Prime Minister Begin and President Mubarak have committed themselves and their governments to Camp David. The further normalization of relations between Egypt and Israel should continue. But even those historic steps will not fulfill the promise of Camp David. Camp David foresaw a comprehensive peace—peace between Israel and each of its neighbors which is prepared to negotiate peace. Camp David sought the resolution of the Palestinian problem in all its aspects. This work has barely begun.

A failure to press ahead to fulfill the vision of Camp David—ratified by the parliaments of Egypt and Israel and welcomed by the Congress of the United States—will create a never-ending series of crises in the Middle East and weaken the position of the United States as a world power and as a force for peace.

Peace in the Middle East is vital to the basic national interests of the United States and the free world. For the process to continue, progress must be made on the Eastern front, and the Egyptian-Israeli relationship must be strengthened without preventing reentry of Egypt into the councils of the Arab world. Complacency on our part, or a failure to make an all-out effort to achieve progress in the peace process, would have serious consequences.

In the past, progress in the Middle East peace efforts has had two components. The first is an American vision of peace. The second is the initiative of Middle Eastern leaders. We should determine for

ourselves, with our allies and friends, in which direction the process should proceed. The United States does not and should not be expected to have all the answers. Nevertheless, we must have a clear course to follow.

Whatever path we follow, certain key premises are basic:

—Commitment to a negotiated peace is essential. This requires acceptance of U.N. Security Council Resolutions 242 and 338 and the recognition of the right of all nations in the region to exist behind accepted and secure borders. Too many Arab states have been far too slow in recognizing this fact of life. I urged Arab leaders explicitly—and publicly, not just privately—to accept Israel and agree to reach out in an effort to establish normal relations in the context of a just peace.

—Commitment to a just peace requires understanding that peace will only evolve from negotiations based on an exchange of land acquired in 1967 for peace, security and recognition.

—Commitment to a comprehensive peace requires that the legitimate rights of the Palestinian people must be addressed, and that the Palestinians must participate in determining their own destiny. A solution cannot be imposed on them.

—Commitment to a just and comprehensive peace would also help to deal with some of the underlying causes of the agony of Lebanon. No American can remain indifferent to the tragedy that has befallen our friends in democratic Lebanon.

The second component is to have initiatives coming from Middle Eastern leaders. Camp David found its roots in the initiatives of President Sadat and Prime Minister Begin. New ones must be developed. No other leaders will be drawn into the peace process if we refuse to even consider or build upon their initiatives. The vision of Camp David was a peace involving all of Israel's neighbors. Now that the final withdrawal from the Sinai has been completed, the major objective of our diplomacy must be to involve Israel's key Eastern neighbors in negotiations.

This most recent trip to the Middle East was both encouraging and discouraging. Leaders of the Arab states demonstrate willingness privately to recognize Israel's right to exist behind secure and recognized borders. Point seven of the Fahd Plan is generally interpreted to mean this. Despite this change in Arab views, most Arabs believe peace is further away today than ever before. The perception is universal that Israel is not interested in peace if peace is based on the premise that land should be exchanged for recognition, a peace treaty and normalized relations. The continued settlement of the West Bank is widely perceived as a demonstration of Israel's intention never to allow the people of the territory to determine their own future nor to address the broader question of the Palestinians. The Israelis state that their actions do not preclude any solution to their differences with their neighbors. They say they are willing to negotiate with any Arab state if Israel's permanent sovereignty is accepted.

The time will come for the United States and Israel to recognize that a basis must be found for listening directly to and discussing directly with representatives of three and a half to four million Palestinians. Their understandable desire for a homeland must be met on a mutually developed negotiated basis reasonably satisfactory to all involved parties.

The time has already come for the key Arab parties to the conflict to state simply and unequivocally their readiness to negotiate peace with Israel. If they believe Israel is not willing to negotiate a just peace, let them challenge Israel to negotiation. Willingness to negotiate is a sign of confidence—not of weakness.

The situation in the Middle East will get worse, not better, if we do not apply our best energies, talents and determination to the search for peace. A failure of the United States to become an active full partner in the peace process could seriously harm our relations with both Israelis and Arabs and also allow the Soviets to make further inroads in the region.

SECTION II

LEBANON

Lebanon's plight was of great concern throughout the Middle East. The tragedy suffered by the Lebanese since 1975 and the inability of the Lebanese, the Arabs or the international community to resolve the crisis was widely discussed. Nearly everyone feared Lebanon would be the catalyst for wide hostilities and each actor with interests in Lebanon was very suspicious of the motives of others.

The Lebanon problem can be divided into two clusters of issues. The first is the south of the country where Israel, Israeli-backed Christian rightists, U.N. soldiers (UNIFIL), Palestinians, left-leaning Lebanese parties and the Syrian army are all located within a narrow 30-kilometer strip of land. The second cluster of issues concerns efforts to restore stability and strength to the Lebanese central government, resolving internal differences and seeking the withdrawal of non-Lebanese forces.

South Lebanon.—Nearly everyone to whom I spoke agreed that the situation in southern Lebanon was likely to be the spark to touch off the next round of conflict in the region. At the same time, Lebanese leftists and rightists, Syrians, and Israelis all—feared that their opponents would use the tense situation in South Lebanon to gain strategic advantage.

The Israeli View.—After nearly 3 weeks of artillery and rocket exchanges last July, U.S. special envoy Philip Habib managed to arrange a ceasefire between the Israeli Defense Forces and the Palestinians and their allies in southern Lebanon. The 3 weeks of shelling caused considerable civilian casualties in both Israel and in Lebanon.

I went along the entire northern Israeli-Lebanese border to gain a better understanding of the security threat posed by the Palestinians to Israeli civilians. During the visit, I visited with the mayors of Metullah, Qiryat Shemona and Nahariya and heard recollections of last July's terrifying experiences from many of the residents. One is immediately struck by the small geographic area involved. From Metulla in northern Israel, one can look north to the heart of the buffer zone controlled by Lebanese militia leader Major Haddad. Just beyond his territory the Palestinian fortress of Beaufort Castle can be seen. One gains a greater appreciation of the Israeli sense of apprehension when looking at this principal PLO stronghold only a few miles away.

Israeli residents, fearing renewed Palestinian shelling, emphasized to me the heavy cost in civilian lives, and the material and emotional strain caused by rocket attacks from the north. I spoke to women and children who had spent weeks living underground in dark, crowded bomb shelters. I saw blackened hillsides where forests had been burned, and I heard accounts of injuries, death and destruction. Nearly all

of the residents of the north greatly welcomed the ceasefire and the return to normality. Few, however, believed that the Palestinians would continue observing the ceasefire and all spoke of the "PLO military build-up." Few seemed to know the crucial role played by the Saudis in bringing about the ceasefire with the PLO.

Some expressed their concern about the long-term personal, psychological and economic consequences for their region of continually living under the threat of a renewal of hostilities with the Palestinians. Much of the population of Qiryat Shemona had moved south last summer and this was a precedent whose consequences were still being evaluated. In Nahariya, the vital tourist season had been disrupted and the city's economy harmed. These concerns, however, paled in importance when compared to the worry about the impact of the terror and abnormal living conditions on the children.

Despite these concerns, residents of the north retained a remarkable sense of optimism and a desire to establish normal ties with Lebanon. They spoke of a future where their goods could be marketed in Lebanese towns or their boats would sail to Beirut. The northern residents, however, had grave doubts about limited Israeli military action in their region. The 1978 incursion into southern Lebanon had not solved the Lebanese-Palestinian problem and citizens of the north were reluctant to support any government action which did not solve forever the problem of armed Palestinians in the Tyre salient and far enough south in Lebanon to rocket northern Israel. The fear was also expressed that newly acquired longer range artillery and rockets in Palestinian arsenals would enable the Palestinians to shell civilian targets in Israel from nearly as far north as Sidon.

Israeli Government officials expressed a wider range of concerns than those of their citizens in the north. They shared the desire to prevent a repetition of the shelling of last summer, but Israeli officials also exhibited a greater concern over events in central Lebanon and throughout the region. They contended that the rearmament of Palestinian forces in Lebanon, terrorist attacks in Europe and infiltration into Israel from Syria and Jordan by Palestinian organizations based in Lebanon were a violation of the July ceasefire. (American Government officials did not accept this broad an interpretation of the ceasefire agreement, limiting it to cross border shelling, raids from Lebanon into Israel and shelling into and out of the Haddad enclave.) Arabs pointed out the indications they saw that Israel intends to invade or occupy Southern Lebanon.

Israelis, in turn, expressed frustration over the failure of American efforts to get the Syrian missiles out of Lebanon. They pointed out that they had shown tremendous patience waiting for a diplomatic solution to the issue of Syrian missiles in Lebanon. Moreover, a disagreement also existed between the United States and Israel on the Saudi role in attaining the ceasefire. Because the United States has no direct contact with the PLO, Ambassador Habib enlisted Saudi Arabia to prevail upon the PLO to halt its shelling of northern Israel. Saudi Arabia provided funds as an incentive to the Palestinians to adhere to the ceasefire. Israeli officials, for their part, discounted the Saudi role contending that the PLO agreed to the ceasefire primarily because they were exhausted and needed to regroup. The Israelis asserted that the Israeli military action had

the Palestinians on the ropes and they were saved by the ceasefire. I disagreed with this position and felt it misleading for Israeli officials to say this to their own citizens.

Fearing that a serious difference of opinion was developing between the Israelis and ourselves, I attempted to clarify positions so that neither side would act precipitously and surprise the other. I stressed with Israeli officials the need not to allow a minor provocation by an errant fringe Palestinian group to be used as a reason to initiate wider hostilities. Once such a military solution is undertaken it is impossible to control and fighting might escalate into a regional conflict which could seriously harm American as well as Israeli interests. Furthermore I urge that proportionality of response be employed; for example, one could not justify the killing of hundreds of civilians in Lebanon when only a few casualties occurred in Israel. Exchanges of fire and other acts of violence between Israel's friends in southern Lebanon and Palestinian and leftist Lebanese forces should not be considered as breaking the ceasefire along Israel's northern border. Finally, we also began a discussion designed to define "defensive use" of weapons supplied by the United States to Israel under our 1952 agreement. Not all of the issues were resolved but I developed a much clearer view of the Israeli position and they appeared more aware of concerns widely held in the United States.

Lebanese Government View.—The situation in southern Lebanon is a nightmare for Lebanese officials in Beirut. They fear that Israel is prepared to launch a major war in southern Lebanon against Palestinian and Syrian forces. In such a conflict, most of the casualties likely would be Lebanese civilians. They are concerned that recent progress in resolving sectarian differences among the various Lebanese factions would be set back, greatly reducing the possibility of national reconciliation. Continuing danger emanating from Israel also provides an excuse for Syrian, Palestinian and other non-Lebanese forces to thwart attempts by the central government to reassert its authority in southern Lebanon. The cooperation of Israel with Major Haddad and Lebanese civilians in his enclave is a constant embarassment to the central authorities. Haddad's public support for many Israeli policies is another wedge driven between the Lebanese and other Arabs.

Many Lebanese also harbor lingering fears that the Israelis, Syrians and Palestinians will use the continuing crisis in the south to partition Lebanon. They suspect that the Israelis want control of the waters of the Litani, that the Syrians want to reassert an historical claim to Lebanon, and that the Palestinians will settle and control much of southern Lebanon.

Nevertheless, the problems of the south are considered by many in central Lebanon as a distraction from the core Lebanese issues. The Lebanese Government would like to mute this distraction by increasing the number of Lebanese army troops, and if that is not possible, by expanding the role of UNIFIL. They would like the U.N. soldiers to occupy all the area of south Lebanon in order to separate the combatants, and to reassert the central authority so that the Lebanese can once again focus their attention on rebuilding the nation.

Syrian Views.—Many Syrians view Israeli raids and the buildup of Israeli forces near Haddad's enclave along the border as a direct threat to the security of Damascus. This threat could be either a direct military thrust up the Bekaa Valley in order to outflank Damascus, or indirectly by supporting anti-Syrian elements in Lebanon which could place hostile forces on the Syrian flank. Whatever the case, most Syrians believe Israel is using the current conditions to undermine Syria's interests.

Palestinian Concerns.—For the Palestinians the struggle for control of southern Lebanon is a matter of survival. Only in the area north of the Litani river and south of the Syrian lines do the Palestinians have relative freedom of movement. Beginning in the late 1960's the Palestinian organizations started wresting de facto control in the region from Lebanese authorities. Today, the ability of the Palestinians to maintain a policy autonomous of Arab Government control depends to a large extent on their freedom of action in Lebanon. Furthermore, southern Lebanon is the one area in which the Palestinians can confront the Israelis openly without interference from the forces of Arab States. The 1978 Israeli incursion and the exchange of artillery and rocket fire across the Israeli-Lebanese border in the summer of 1981 are considered great victories by the Palestinians because their forces were able on their own to stand up to the Israelis. The Palestinians remain suspicious of all the forces in the region. They are concerned that Israelis, Syrians or Lebanese will attempt to curtail their freedom.

Central Lebanon.—Although the situation in southern Lebanon may prove to be the spark that ignites the next round of hostilities in the region, the inability of the Lebanese central government to reestablish a national consensus and reassert its authority in most of the nation is the primary problem for Lebanon. Until a new national consensus, one that unites Muslim and Christian, is attained, Lebanon will remain unstable and be a source of instability for the entire Middle East.

Some signs of hope have been seen during the past year. Greater understanding between Muslim and Christian has been observable. A growing feeling of Lebanese identity is evident. This stems in part from a sense that the Arab and international communities have let the Lebanese down and, therefore, the Lebanese must rely on themselves. The greater feeling of comraderie also stems from a growing frustration at the sight of their beautiful nation slowly being destroyed for someone else's cause. The most important single factor, however, is increasing hostility toward Syrians and Palestinians, who more often are being referred to as occupiers.

Although the Lebanese do appear to be beginning the process of putting aside their historical differences for the good of the general community, I find it difficult to be optimistic about their future. The Lebanese appear to be united more in their opposition to outside forces rather than in a true national consensus. Even their opposition varies from community to community. Furthermore, so many outside forces are now active in Lebanon that it is difficult to imagine that any combination of domestic forces will be able to unite the Lebanese and to reassert Lebanese control over Lebanon.

The Syrians.—The Syrian army entered Lebanon in March 1976 to restore order during the height of fighting between Lebanese and Palestinians and between Lebanese and Lebanese. Although the Syrians stated they planned to be in Lebanon only for a short time, they remain today the dominant force in two-thirds of the country.

In June 1976 the Arab League gave an ex post facto mandate to the Syrian presence. The Arab League mandate remains although a growing number of Arab states no longer support the Syrian presence. The Kuwaitis cut off financial support and in January six League states voted not to renew the Syrian mandate.

For the Syrians, Lebanon has a very special meaning. They believe that Lebanon was carved out of the Syrian heartland by the French. This lack of formal diplomatic recognition increases the fears of some Lebanese that the Syrians will not be satisfied until Lebanese sovereignty is extinguished. The Syrians also see Lebanon as a potential threat should hostile forces dominate it. Pro-Iraqi elements in Lebanon are considered a particular threat and have been treated harshly by the Syrians. Lebanese Front Christian cooperation with the Israelis similarly is viewed with grave concern. Many observers believe that Damascus would be more than willing to withdraw its forces from Lebanon if a government "responsive" to Syrian interests would gain and retain control in Beirut. This is unlikely, however, because anti-Syrian elements appear to be gaining strength.

To the Lebanese Front, the Israelis and other elements in the complex equation, the role of Syria is viewed with much cynicism. They believe that the Syrians are attempting to transform the Lebanese nation into a pro-Syrian force in the region. All believe that such a move is against their interest and must be resisted.

Section III

ISRAEL

Although most discussion in Israel focused on the central issues of Arab-Israeli peace, the Lebanese situation, and United States-Israel relations, several other themes developed during our dozens of conversations. These included the national trauma Israel faced with the withdrawal from the Sinai and fundamental differences in perception between the Israelis and the United States regarding Saudi Arabia and Jordan.

Withdrawal from the Sinai.—As far as I could determine, the Begin government was always determined to live up to the Camp David agreement. At the same time, no one should underestimate the difficulties the withdrawal from the Sinai has caused the nation. The financial burden is considerable, but is much less than the emotional impact of withdrawing. Foreign Minister Shamir observed that for the first time Israel withdrew from settled territory. Not a large number of Israelis actively supported those who resisted the withdrawal by force and civil disobedience but many sympathized with the demonstrators.

Some in the Labor opposition had opposed the Camp David agreement because they believed Prime Minister Begin could have achieved all he did without relinquishing key strategic areas in the Sinai. In addition, many of the Prime Minister's most prominent supporters—including Foreign Minister Shamir, Finance Minister Aridor, and Ambassador Arens—had not supported Camp David from the beginning. They contended that Israel was giving up tangible assets—oil, strategic depth and Israeli settlements for intangibles such as recognition, peace, and normal relations.

Early concerns have been intensified by the assassination of President Sadat and the uncertainty of Egypt's future course. Many openly expressed confidence that President Mubarak would remain true to the Egyptian-Israeli peace treaty and follow Sadat's path, but privately expressed doubts. Some claimed that Mubarak lacked flexibility on the autonomy issue as a prelude to rejoining the Arab world. The view that a moderate Egypt within the Arab camp could be of benefit to Israel, the United States and the peace process, was not widely accepted. Most Israelis appeared to believe that any movement of Egypt back toward accommodating the Arabs would definitely not be in Israel's interest.

Saudi Arabia.—A basic difference also existed between Israel and the United States regarding Saudi Arabia. Israelis view the Saudi Government as unstable, hostile and unable or unwilling to perform a useful role in the peace process, a position with which I disagreed. Moreover, many Israelis appear to believe that growth in the United

States-Saudi relationship will only work to Israel's disadvantage and ultimately to the disadvantage of the United States. A growing number of Israelis believe the United States will ultimately adopt a version of the Fahd plan and attempt to pressure Israel to accept it.

For the United States, which has global concerns, Saudi Arabia is an important partner. Cooperation in economic and strategic political issues is very important to the United States as well as to the Saudis. While the Saudis are certainly firm in their views on Arab-Israeli issues, they do provide a moderating voice in Arab councils and have, through financial and diplomatic means, worked to prevent the outbreaks of hostilities between Israel and the PLO in Lebanon and between Syria and Jordan. They played an important role with the Israeli-Lebanese border ceasefire.

Jordan.—Since my visit to Israel in 1975, the attitude of many Israelis toward Jordan had changed markedly. In the past, as envisioned at Camp David, King Hussein was viewed as the obvious partner to negotiate with Israel to determine the future of the West Bank. The government in Jordan was regarded as about the most reasonable any Israeli Government could expect in the Arab world. Many Israelis had suggested that their threat to intervene against the Syrians in 1970 had saved the Jordanian monarchy.

During this trip, however, I perceived that views had shifted dramatically. Many argued that there already was a Palestinian state and it was called Jordan. Palestine, according to this view, had been partitioned in 1922 by the British into an Arab state east of the Jordan river and a soon to be formed Israeli nation to the west. Therefore, a further partition of the region for a "third" state, west of the Jordan river is not necessary and is unhelpful. Some Israelis even went as far as to observe that it was only a matter of time until the Palestinians would assume control of Jordan from the alien Hashemites. A few Israelis commented that they may have erred by warning the Syrians to pull back in 1970.

I believe that the Jordanians continue to be the most viable Arab nation to help negotiate a solution for the future of the West Bank. If the Hashemite Kingdom were replaced by a less stable Palestinian state, Israel would see its longest and most peaceful border transformed into its greatest security problem.

Section IV

THE WEST BANK

The West Bank of the Jordan river was the focus of many discussions on our trip. Most observers agreed that our ability to foster a comprehensive peace in the Middle East would be determined to a large extent by the success of efforts to resolve the future of the West Bank. At the same time, fundamental changes are occurring on the West Bank which are narrowing the chances for a compromise settlement. For example, outside Jerusalem, the Israeli civilian population has increased from 5,000 to 23,000 while Prime Minister Begin has been in office. The increase in the number of Israeli settlers makes a settlement much more difficult.

West Bank Arabs.—While the Camp David agreement envisions that the final disposition of the West Bank and Gaza will be determined through negotiations to establish a self-governing authority, few if any West Bank Arabs believe the Camp David process offers them the opportunity to determine their own future. They believe the Israelis will not permit the Arabs of the occupied territories the right to participate in determining their own future. I spoke with leading West Bankers who emphasized the growing Israeli presence and "the oppression of Israeli occupation." Some admitted that they may have missed an opportunity in the fall of 1978 when they rejected the Camp David process. They contend the Israelis have skillfully used the intervening years to disperse the Arab population and to make the Israeli presence more permanent.

In every conversation with the West Bank Arabs, the dominant theme was the pervasive nature of the military occupation and what they believed to be the subversion of Arab rights by the new civilian administration. Curtailment of economic aid to West Bank towns, the closing of schools, restrictions on movements, harassment of children, censorship in schools, libraries and bookstores, and detention without trial were among the charges. Few believed Israeli attempts to create an alternative Palestinian leadership had any prospect of success. Those Palestinians who participated in Israeli-sponsored village councils were widely regarded as "Quislings."

The PLO was recognized by a majority of West Bank Arabs as their legitimate representative, but not all agree with each decision of the PLO leadership in Beirut. Many felt they, the West Bank Palestinians, are the true strugglers against Israeli occupation. Nevertheless, most would choose the PLO as their spokeman if given a free choice, because the PLO is considered the only group of Palestinians which commands international attention on issues keenly felt

by the West Bank residents and is the only recognized representative of Palestinian unity. They do not understand why the United States will not speak to the PLO, and many pointed out that the U.S. Government had held discussions with the Viet Cong and the Soviet Union while disputes continued.

The views of the West Bank Arabs do seem to differ from those Palestinians not under occupation in several key aspects. First, they believe that a fair compromise which would end the occupation would be beneficial. The transformation of the West Bank under Israeli occupation is viewed as the most dangerous development since 1948.

More importantly, they seem willing to adopt a live and let live attitude with the Israelis. They say they are ready to live in their state in peace alongside Israel. They believe they have a right to self-determination and, if offered, they would exercise that right. None of the West Bank Arabs expressed opposition to continuing U.S. security guarantees for Israel.

Palestinians outside the West Bank are not as inclined to make any compromise. While they too believe that time is not on their side as the Israel de facto annexation of occupied territories continues, they are not experiencing the day-to-day pressure of the occupation. Moreover, those beyond the West Bank appear to have lingering fears that a significant portion of the West Bank Arabs will ultimately bend under Israeli pressures and enticements and compromise Palestinian aspirations.

Palestinian fears are mirrored by Israeli hopes. The current Israeli policy appears to be to mold a new "moderate" Arab leadership. By "moderate" the Israelis mean one that will accept a settlement which leaves sovereignty in Israeli hands while giving the Arabs autonomy in their own community affairs. This would be quite similar to the condition of minority communities in the region under Ottoman rule. The Israelis have replaced the military governor with a civilian administrator, who through a series of reforms, is attempting to entice and push reluctant West Bank Arabs to share the Israeli vision of the future. Village councils are being established. Increasingly these councils are being used as the vehicle through which government services are provided rather than through the elected leadership. At the same time, traditional sources of outside support have been restricted.

Israeli policy has also been to reduce the overt military presence, thus removing some of the more onerous aspects of the occupation. Palestinian resistance to the imposition of Israeli civilian rule on the West Bank, however, has resulted in violent Arab demonstrations and a harsh crackdown by the Israelis. Schools have been closed. A large number of arrests have occurred and scores of individuals shot. At the same time, those Arabs who are cooperating with the Israelis' civilian government have been given protection from other Arabs. Some cooperative Arabs have even been given the right to carry arms for self defense.

Israeli public opinion is strongly moving in the direction of the need to retain the West Bank. Those who favor retention base their case on a combination of historical and security arguments. Arabs

and Israelis alike agree that if Israeli settlement activity has not yet made an ultimate Israeli withdrawal an impossibility, it soon will. A vocal minority of Israelis, however, view this as a very harmful development. Some are concerned that permanent occupation of the West Bank will make peace with the Arabs much more difficult, if not impossible. Others fear the demographic impact of retention of the territory.

They argue that with 700,000 Arabs in Israel and another 1.3 million in the occupied territories, Arabs are already more than one-third the population of the entire expanded state and growing rapidly. This will alter the Zionist foundation of the nation and will make the Palestinian issue a domestic question.

Water.—Many issues divide the nations of the Middle East but water does not receive sufficient attention. Oil is the Middle Eastern liquid which receives most attention in the international media, but during my trip to the Middle East considerably more was devoted to water. From Morocco to Oman and Kuwait to Israel the lack of water is a serious concern.

In several countries my arrival coincided with rainfall which was mentioned as a very good omen and cause for good natured comment, because inadequate rain and higher consumption of water was causing severe hardships throughout the region. Morocco had a very severe drought last year and until my arrival this winter's rainy season had produced only 16 percent of the normal levels. On my arrival it rained all night. The mountains of Lebanon had little snow this past winter. Jordan lacked rain and both Israeli and Jordanian leaders expressed concern that winter crops were already lost and spring plantings were in jeopardy. The Sudan was suffering similar problems. For instance, in one village, the price of a 2-gallon tin of water had leaped from 12 to 20 piasters. A family would need between three and five tins a day for personal use and for livestock. In this season some villages were totally dependent on water trucked in from neighboring towns.

The human tragedy of the lack of water is of great concern throughout the region. The political consequences of growing water consumption and declining resources has the potential of threatening regional stability. Nowhere is this more apparent than in relations between Israel and its neighbors. The future of the West Bank, the Golan Heights and Israel's relations with Jordan, Syria and Lebanon may well be determined by competition for scarce water resources.

Israel and its immediate neighbors are now using nearly all water resources to the maximum. Therefore, in drought years, the situation can become desperate. Two years ago, for instance, the residences of Amman received water for only a few hours a week. This year could be even worse.

The Yarmuk River, between Syria, Jordan and Israel, is the primary untapped resource of the Jordan River valley. Internationally funded studies have been conducted on building the large Maqarin dam but disputes over the ultimate use of the water have blocked progress. Political differences between Israel and Jordan and between Jordan and Syria have prevented construction from beginning.

Control of the Golan Heights gives the Israelis greater control over Jordan Valley water. Control over the West Bank also has an im-

portant water component. Two aquifers, which provide nearly all of the ground water in northern and central Israel, arise on the West Bank and flow westward. As a consequence, any substantive Arab development on the West Bank, which required more water, would threaten this vital Israeli source. Israelis are, therefore, reluctant to jeopardize this resource or relinquish control of the source of the water. West Bank Arabs complain that Israeli settlers get more and cheaper water, while Arabs are prevented from developing West Bank water resources.

The Litani River in southern Lebanon is the single largest underutilized source of water in the region. Lebanese observers believe that it is only a matter of time until the Israelis take military action so they can gain access to Litani River water.

Section V

JORDAN

The glow of a very successful visit to Washington still warmed United States-Jordanian relations when I arrived in Amman. Jordanian and U.S. representatives spoke of the warmth and success of the King's visit as did he. In contrast, relations had been cool during the Carter Administration. The primary purpose of the King's American tour had been to reestablish traditional ties and this had been accomplished. In addition, warm personal relations had been established between President Reagan and King Hussein. Reaffirmation of our continuing commitment to U.N. Security Council Resolution 242 also appeared reassuring for the Jordanians.

The good feelings initiated in Washington, nevertheless, have been tarnished by subsequent events. The President's statement that his preference was for the retention of Israeli sovereignty over all of Jerusalem (which was delivered to the King as he flew back to Amman) upset the Jordanians. This was followed by U.S. opposition to a Jordanian resolution on the Med-Dead Canal [1] which was passed by the U.N. General Assembly, 140 to 2 (Israel and the United States), and by the Israeli quasi-annexation of the Golan.

Jordanian Participation in the Peace Process.—All Jordanians to whom I spoke expressed their acceptance of U.N. Security Council Resolution 242 as the basis for a negotiated settlement of differences. They accepted the premise that Israeli withdrawal from territories occupied in 1967 would be exchanged for recognition, peace and normal relations. The Jordanians pointed out they have played a moderating role in the Arab world supporting all peace proposals. The Jordanians had refused to join the Camp David process because, among other reasons, they were not asked to participate in its formulation, but merely to sign on after it was completed. They believed that the Egyptian-Israeli treaty was merely a bilateral agreement and that the autonomy framework was created to ensure permanent Israeli occupation of the West Bank. Subsequent Israeli settlement activity and definitions of "full autonomy" have confirmed these views in the minds of Jordanians.

[1] The Med-Dead Canal: On March 29, 1981, the Israeli Cabinet decided to begin work on the construction of a canal/tunnel between the Mediterranean and Dead Seas As the project is conceived, a 600-megawatt hydroelectric power plant will be built at the Dead Sea end to exploit the 400-meter elevation difference between the two seas. The plant is designed to produce 15 percent of Israel's electricity needs by the early 1990's. Feasibility work on the canal is now underway and will take at least another year to complete. If carried through, the $750 million project would take 8-10 years to build. It is expected to be financed primarily from private sources. Jordan objected to the project because the proposed route would take the canal through a tunnel on the Israeli-occupied Gaza strip. This would likely be a violation of the international law of belligerent occupation. More importantly, it could prejudice the outcome of the autonomy negotiations. The Israelis may be considering alternative routes through Israeli territory. Jordan also asserted that the project would violate its riparian rights and threaten its potash facility presently under construction on the Dead Sea. While the riparian rights issue is legally complex, Israel may well be in violation of international law should it proceed without extensive consultations with Jordan, because the project changes the character of the Dead Sea.

Believing that the Jordanians are the next most logical partner for Israel in the peace process, I raised the issue of whether the Jordanians could play this role. Many West Bank Arabs had observed that although relations with the Hashemite Kingdom had not always been as good as the West Bank Arabs would have wanted, the years under Jordanian control were considered much better than those under Israeli occupation. I observed that the Jordanians had been a leader in the search for a negotiated peace in the past and the King's 1972 proposal for the establishment of a confederated kingdom was well worth reconsidering.

The Jordanians spoke somewhat nostalgically about early proposals and lost opportunities. They asserted, however, that as a result of the 1974 Rabat Arab summit responsibility for negotiating the future of the West Bank lay with the PLO and not with the Kingdom. King Hussein wants to do all in his power to find a just settlement but he emphasized that he would not take any initiative that would violate the Rabat agreement. In my judgment King Hussein would be responsive to any initiatives that originated in the Arab world. Many Palestinians would much prefer to see implemented the "Jordanian option" (federation of the West Bank and Gaza Strip with Jordan) because they do not believe the attainment of a Palestinian state would be possible in their lifetime.

The basic issue for the Jordanians is whether the Israelis will allow the Palestinians sovereignty in the West Bank and Gaza. While the Jordanians have deep reservations about the creation of a Palestinian state, they appeared more than willing to risk that rather than face the problems created by continued Israeli occupation. They pointed out that this view was being expressed by the first Arab nation to confront the PLO (in 1970). Leaving Jordan, my impression was that should the other Arabs, including the PLO, give the nod to Jordan, the Hashemite Kingdom would seek to negotiate an agreement to secure Palestinian rights.

Many Jordanians expressed great disappointment with the United States. Some had become convinced that "blind support" for Israeli policies made it clear that the United States was "the enemy of peace." Others said that they, the pro-American Arabs, were being betrayed by a good old friend. In either case, it was asserted that should the United States insist on pursuing the Camp David peace process, the only way to entice other Arabs to participate was to support fully the Egyptian position with regard to autonomy.

High Jordanian officials expressed their belief that the Israelis implement well-planned provocations in order to make it difficult for the United States to maintain close ties with its Arab friends. The United States, it was asserted, will not be able to help bring about a just peace as long as it is committed to Israel, right or wrong. I was reminded frequently that the Israelis did not always act in the interest of the United States. One example given was the supply of arms to Iran while the hostages were being held.

Many Jordanians were skeptical of the concept of militarily defensible borders upon which the Israelis insist. King Hussein observed that at 25,000 feet over Jerusalem one can see clearly the lights of Amman, Tel Aviv, Damascus and Beirut. In an area that small, he noted traditional concepts of militarily defensible borders have to

be rethought. The Jordanians also emphasized that the Arabs need security guarantees at least as much as the Israelis. They contended that no Arab army had crossed an Israeli border since 1948 and the same cannot be said of the Israelis.

The Jordanians expressed much concern about Israeli overflights of Jordanian territory. As if to raise this point, during our first night in Jordan, Israeli aircraft penetrated Jordanian air space and flew to the Iraqi border and returned. This infuriated the Jordanians who said it was hypocrisy for Israel to demand recognition of their sovereignty while they flagrantly violated the sovereign air space of other countries. Although they attempted to downplay their concern, the Jordanians were worried about Israeli intentions toward the kingdom. Increasing acceptance in Israel of the assertion that there already is a Palestinian state, and it is called Jordan, causes much consternation in Amman. They believe the Israelis might attempt to destroy the kingdom and to create a Palestinian state in Jordan. The Jordanians are also concerned that the Israelis may launch a military attack on them either in an effort to outflank the Syrians or "in pursuit of Palestinians." (Some Jordanians even say that Israeli agents within the PLO may be used by Israel to make provocations to justify such an attack.)

Regional Issues.—During my two days of conversations a significant number of regional issues were raised. With regard to Lebanon, the Jordanians observed that they have become increasingly critical of the Syrians. For this reason, they had refused, with the Iraqis and several other Arab states, to support a renewal of the Arab League mandate for the Syrian presence. The Syrians, according to many, were destroying Lebanon and would never leave. Several people observed that Syrian and Israeli actions in Lebanon appeared to assist one another. In the spring of 1981, for instance, when the more moderate Arabs were pressuring Syria to reduce its military presence in Lebanon, the Israeli-Syrian missile crisis evolved. With saber rattling on both sides, the other Arabs felt compelled to rally to the support of Syria. Talking of reducing the Syrian presence was, therefore, dropped. Similarly, as pressure again built upon the Syrians to withdraw some of its forces from Lebanon, the Israelis annexed the Golan, an action which again obligated the other Arabs to come to Syria's defense.

The Iraq-Iran war also caused considerable concern for the Jordanians. Jordanian military officers who had visited the Iraqi front commended the Iraqi military. They were well organized and fought well, but were faced with fanatics. Iran, according to the Jordanians, was a menace not only to Iraq but also the Arab Gulf States and all Arabs.

Section VI

EGYPT

I left Egypt satisfied that the United States-Egypt relationship, though subject to natural differences of outlook on some issues, remains solid. My most recent prior visit to Egypt had been as a member of the U.S. delegation to the funeral of President Sadat. Upon my return to Egypt, it was very reassuring to observe the smooth transition to the leadership of President Hosni Mubarak which had occurred. During my two meetings with the President it became very clear to me that he is determined to strengthen the economy and to achieve social stability so that every Egyptian may have a better life. It has always been clear to me that he, and the Egyptian people, are dedicated to the peace process.

The economic problems facing him, however, are awesome. One simply has to drive the streets of Cairo, a city of 10 million people, expected to be 15 million by the year 2000, to realize the problem of attempting to improve the situation in a nation which grows by a million people every 10 months. Much has been accomplished in the last several years, but very serious problems remain and additional difficulties are on the horizon. Past growth has been supported by:

—increasing income from rising oil production coupled with rising oil prices;
—large remittances from Egyptians working abroad;
—increases in revenue from tourism;
—Suez Canal revenues; and
—high levels of foreign assistance from OECD nations and multinational financial institutions.

Funding from all these sources is unlikely to match the needs of the next several years, however. The worldwide oil glut and the resulting decline in oil prices will have a serious impact on Egyptian plans which had assumed a substantial growth in oil revenue. Remittances are likely to remain high, but the rapid growth of the past decades will not continue. This is particularly true if declining oil revenue obliges the Arab oil-producing states to curtail some of their development plans. Since the assassination of President Sadat and instability in the region, as a whole, there are fewer tourists from abroad. If this trade does not improve, additional problems will develop. Suez Canal revenues have not grown significantly. Moreover, international financial support may become increasingly difficult to obtain as the developed nations address their own economic problems.

As a consequence of these prospective problems, Egypt will have to use its revenues more effectively and to look for additional revenue sources. At the same time, Egyptian Government officials realize that

improving the economy must be their primary goal. President Mubarak has emphasized economic reform. He has consulted with a wide range of advisers including academic experts. In January he made Cabinet changes designed to better manage the economic activities of the government. Early indications are that a higher priority will be placed on development plans, housing, restricting imports, and reducing subsidies.

President Mubarak also seems determined to regain popular support for the government that was lost in the last several years of the Sadat presidency. As a first step he modified the harsh treatment of critics of the regime. Many of those who were arrested in September 1981 have been released. A friendly hand has been offered to the intellectual critics who had become alienated from Sadat after Camp David. In a dramatic gesture President Mubarak asked the advice of former Al-Ahram editor Muhammad Hassanein Heikal. As a result of these actions and gestures the new President appears to be receiving wide support.

United States-Egypt Relations.—Close ties with the United States remain a cornerstone of President Mubarak's foreign policy. Egyptians continue to count on the United States for military, economic and political assistance. The military relationship is most important to the Egyptians and they are very appreciative of this support. This is not to say that there are no problems. Top Egyptian leaders are concerned that the benefits of close ties with the United States will not be fully appreciated by the armed forces. Concern over the high cost and slow delivery of American military equipment is frankly stated. When questioned about why they bought Mirage 100s from France, Egyptians responded that the aircraft will be available more quickly and cost much less than the comparable American aircraft.

I had some concern about the presence of large numbers of American troops involved in training the Egyptian forces. The large Soviet presence had so alienated much of the Egyptian military, that President Sadat's decision in 1972 to ask the Soviets to withdraw was generally welcomed and we do not want to make the same mistake. The American presence, I was assured by many Egyptians, differs significantly from that of the Soviets. First, many fewer Americans are currently in Egypt. Second, the American role is different. The Soviets were present down to the battalion level and they had the final say in operational matters. In sharp contrast, Americans are not so deeply involved and have no operational responsibilities. Americans have generally confined their assistance to training and helping to integrate American equipment into the Egyptian force structure.

Foreign Policy.—Now that President Mubarak is in firm control of Egypt, he is beginning to put his own imprint on Egyptian foreign policy. He assured me, as he has all domestic and foreign representatives with whom he has met during the past year, that he will be faithful to the foreign policy of President Sadat. He reiterated his commitment to continuation of the normalization of relations with Israel. The Egyptian Government remains committed to peace, and the Egyptian people look forward to not having their sons die in future wars. One Egyptian summarized this view when he pointed to one house after another in which a son had been killed in combat with

Israel. He then observed that "now our sons will not have to die." Peace is very popular in Egypt.

The Egyptians also intend to maintain their pro-Western ties with particular emphasis on links to the United States. The Washington-Cairo relationship is founded on a similar assessment of the Soviet threat. Moreover, American economic assistance and U.S. military equipment have assumed a very important role in Egyptian planning.

Under Mubarak, however, certain changes in emphasis in Egyptian policy should be anticipated. The Egyptians are likely to broaden their international ties and once again attempt to move into a leadership role in the Arab and nonaligned worlds, or at least to reduce its isolation. President Mubarak signaled this shift as early as last November and this process may accelerate in the next several months. A number of Arab leaders have expressed their desire to see Egypt accepted back into the fold. Others, however, have said that Cairo will have to "pay a price" for reentering the Arab nation. The reentry of Cairo into Arab councils would be of benefit to the United States and our more moderate Arab friends in that a strong moderate voice will have a significant impact on the collective Arab position. Egypt needs financial assistance from sources other than the United States and could benefit from renewed aid from the Arab oil-producing states.

While maintaining its close ties with the United States, Egypt is unlikely to create unnecessary strains in its relations with the Soviet Union. President Sadat was sometimes criticized for anti-Soviet actions which had no real purpose and, at the same time, harmed Egypt. In contrast, President Mubarak is more cautious. He allowed 66 Soviet technicians to return to Egypt to help repair equipment and run three Soviet-built institutions—the Aswan High Dam, a large steel plant and a large aluminum facility. This decision was based, for the most part, on the understanding that the Soviet personnel were necessary for a period of time to insure efficient operations of Soviet-built equipment. In addition, many Egyptians believe a more "balanced" relationship with the superpowers will improve Egypt's standing in the nonaligned world. An upgrading and expansion of the status of the Soviet Embassy in Cairo, therefore, should not be unexpected. While improving Egyptian-Soviet relations may concern us, I feel confident that President Mubarak will not pursue them in a way that would adversely affect the closeness of the United States-Egypt relationship developed over the past decade.

The Egyptians are likely to continue their support for Palestinian self-determination. President Sadat took a firm position on this issue when he addressed the Israeli Knesset in November 1977. Those who had hoped that the Egyptians would make compromises not acceptable to the Palestinians are likely to be disappointed. This firm Egyptian position, however, in no way diminishes their commitment to peace.

Section VII

SUDAN

The Sudan is faced with very great problems. As the largest country in Africa and in the Arab League, the Sudan straddles two distinct cultural regions. At the same time, the Sudanese are buffeted by many of the problems of both regions. A supporter of Egypt, and one of the few Arab states not hostile to President Sadat's efforts to negotiate a settlement with Israel, the Sudanese have been sharply criticized by many in the Arab world. President Nimeiri has become a principal target of many anti-Western nations. President Qadhafi's Libya trains anti-Nimeiri elements and has supported terrorist activities in the Sudan.

To the west of the Sudan, the civil war in the Chad continues to cause much concern. When Hissan Habre's forces were driven out of N'Djamena by the Libyans, they retreated to the Sudanese border area resulting in Libyan air strikes on Sudanese territory. Although some differences between Chad and the Sudan appear to have been reduced, the Chad remains a very unstable neighbor.

To the south, Uganda is also unstable. A more serious problem, however, is in relations with Marxist Ethiopia. The Ethiopian-Libyan alliance is viewed by many in the Sudan as anti-Sudanese. Ethiopian offensives against the Eritreians always threaten to spill over into the Sudan.

President Nimeiri also faces internal political problems which have given his external opponents elements of the Sudanese populace with which to cooperate, including Islamic fundamentalists. Historically, Islamic fundamentalism has had considerable support in the Sudan. In recent years the Ansars, the followers of the Mahdi, have been joined in opposition by other Islamic groupings. Opposition elements have gained some support because the military government has been in power for more than a decade and is increasingly criticized for "arbitrary and heavy-handed methods."

In order to make the government more responsive to local problems, President Nimeiri has given additional power to the provincial governors and established regional assemblies. This Sudanese "new federalism" has been instituted so recently that it is not yet possible to determine whether it will succeed in its objectives.

One unfortunate aspect of the devolution process, however, has been the renewal of strains between the north and the south. Southerners disagree on whether to have their region divided into three regions as President Nimeiri proposes or to remain as one. When several prominent southerners protested government decisions, they were jailed and became symbols of unfair treatment of southerners.

Even more worrisome to President Nimeiri were the ties several of these people had to Libya. The renewal of serious north-south tensions would be a significant setback for President Nimeiri and the Sudan. Rebellion in the south had crippled post-independence efforts to develop the nation and to unite its diverse peoples. One of the great successes of the early Nimeiri years was to reach a settlement which ended the southern rebellion and united the nation.

The Economy.—The Sudan's most immediate problem is the desperate state of the economy. Despite its tremendous potential, the Sudanese economy is facing very serious problems. Some observers claimed that the country is on the verge of bankruptcy. In the last several years the inability of export income to meet the costs of imports has caused the Sudanese Government to borrow heavily to finance the growing deficits. Sudan's oil import bill has risen from $40 million a year in the mid-1970's to over $400 million last year, accounting for half the value of all imports. The Egyptians have supplied some oil, but the cost and Sudan's weak economic position has resulted in the unwillingness of suppliers to provide oil on credit. Consequently, petroleum shortages are a great problem. I saw cars lined up for blocks at a closed gas station because it was rumored that the station would receive gasoline the next day. Shortages in the countryside are even more critical. Water pumps sometimes cannot be operated because of the lack of fuel, and water is not delivered by truck because fuel is unavailable.

Early this year the Sudanese Government was having difficulty even meeting interest payments. In order to gain international support for new loans, the international financial community led by the IMF was demanding that the Sudanese reform their financial system before further assistance would be available. As a first step, the government reduced its subsidy on sugar; the price rose 60 percent overnight. We arrived in Khartoum during the ensuing protest demonstrations. Following the death of one person and several injuries, the government closed the universities and sent the students home.

These demonstrations illustrate the difficulties the government faces. Reforms necessary to bring the nation's finances in order and to satisfy international standards will require decisions which will place great hardships on much of the population which lives close to the margin of life and could encourage political opposition to take advantage of popular discontent. Moreover, the Sudanese need to expend borrowed funds to improve the basic infrastructure of the nation so that the Sudan's great potential can be tapped. Unfortunately, all available funds are being absorbed in meeting short-term economic needs.

Kordofan.—I visited two towns in the large western Sudanese region of Kordofan—Kadugli, the capital of the southern portion of the province, and El Obeid, the provincial capital. The warm welcome I received in both towns will never be forgotten. In Kadugli, local officials and American representatives discussed the progress they have made in establishing an agricultural research project which is undertaking a variety of endeavors designed to improve agricultural production for the Sudanese farmbelt. Local Nuba tribesmen demonstrated a strong desire to improve the living standard of their community.

Nothing on the entire trip, however, can surpass the unique reception we received upon our arrival in El Obeid. We were met at the airport by a considerable number of regional dignitaries all of whom expressed their friendship for the United States. In addition, hundreds of boy and girl scouts lined one end of the airport chanting, "Welcome, welcome to Sudan!"

Life in Kordofan is difficult even by Sudanese standards. Income levels are very low and the climate is harsh. Outside the cities, four-wheel drive vehicles are necessary. One observer noted that it takes 4 to 6 days for a truck from the western Sudan to reach the country's only port on the Red Sea. The same vehicle can reach Tripoli in Libya in only 5 days. Despite inadequate transportation the western Sudanese rely on exports of livestock, oil seeds, food grains, and gum arabic to earn the income to purchase necessities.

Water is scarce and is even becoming scarcer. Drought during much of the seventies, combined with overuse of the land, has tipped the ecological balance in many areas. As a result the Saharan desert has advanced southward at the rate of 3 to 5 kilometers a year. One village we visited was dependent 3 months a year on water transported by truck from a town 20 kilometers away. When we were there, the village storage facility had less than 100 gallons remaining. A rapid rise in the price of gasoline had just resulted in a 40 percent increase in the price of water.

Despite hardships, the people of Kordofan do not seem to despair. Considerable hope was displayed by government officials, U.S. AID employees and by a cross section of people to whom I spoke. Research programs have been instituted to stop desertification, reverse crop yield declines, and to discover alternative crops which might raise the local standard of living. Local officials are optimistic about the potential of their region, but worry about the shortage of financial assistance to fund worthwhile projects. Another question which is being addressed is improving the quality of water available. UNICEF, for one, has instituted several projects in Kordofan designed to increase availability of water and ensure quality. In the current economic crisis in the Sudan, however, international financial institutions are increasingly hesitant about providing additional loans. Moreover, the central government has problems of its own which often are given priority over provincial concerns.

In his efforts to promote his new federalism, President Nimeiri has given greater responsibility to the provincial governments. Regional assemblies have been appointed. The central government, the local governors and the members of the assemblies are slowly testing the new relationship. Considerable willingness is apparent to test the limits of the new system. I addressed the Kordofan Assembly in a special session and witnessed a remarkable debate which could match the give and take in any established Western legislature. While still limited in their power, the Kordofan Assembly and its dynamic Governor demonstrated an impressive understanding of the function of a legislative assembly.

Section VIII

SAUDI ARABIA AND THE ARABIAN PENINSULA

Several key issues dominated all our discussions with the leaders of Saudi Arabia, Oman, the United Arab Emirates, Qatar, Bahrain and Kuwait—the Palestinian problem, relations with the United States, the Iraq-Iran war and Gulf security. Although the leaders of all the states stressed similar themes, significant variations were apparent.

The Palestinian Problem.—The one theme on which there was absolute unanimity was the need to resolve the Arab-Israeli question. The Kuwaitis and the Saudis have for some time been very open in pushing the United States to take an active role, but on this trip all of the leaders, including the Omanis, stated that the United States had to pursue the peace process more determinedly if American interests in the region were to be enhanced.

The Arab-Israeli problem was viewed as the greatest long-term threat to regional stability. Few understood the logic in not recognizing the Fahd plan as a positive step for peace. They did not view the failure of the Arabs to endorse Fahd's proposals at Fez as a rejection of the proposals so much as a recognition that the time was not right for them. Most thought that at a later date, possibly as early as this summer, the plan again could be brought before the Arab League.

Israel was viewed universally as a belligerent regional superpower. Even the small Gulf States believed they were directly threatened by the Israelis. The Israeli raid on Iraq's nuclear reactor meant to the Gulf Arabs that they too were well within the range of Israeli operations. Israeli overflights of Saudi and Jordanian territory were considered deliberate Israeli efforts to humiliate and provoke Arab regimes. Allegations of "Israeli outrages," widely accepted as factual, outstripped reality.

Their primary concern, however, was their understanding that Israeli actions combined with the lack of any prospect for peace in the region were leading to radicalization of the Arab people. The perceived injustice done to the Palestinians, combined with Israel's ability to act without regard for the sovereignty of Arab nations, was changing the attitudes of their own people. They increasingly saw their "moderate" positions being eroded by a tide of events which they could not control. Some states, such as Kuwait, have a large Palestinian population which influences government decisions. Others with virtually no Palestinian population felt equally that a solution for the Palestinian problem must be found.

While none of the states has a Western democratic system of government (Kuwait does have a very active parliament), the Peninsula governments are remarkably responsive to the views of their own

people. While in Riyadh, I visited two majlis to observe how this traditional institution provides a vehicle for the people to communicate with the leadership. Every day leaders meet directly and personally with assembled citizens who have issues or grievances to raise. At Riyadh, Prince Salman, the Governor, listened and received dozens of citizens. The responsiveness of this form of government was most impressive. One cannot know how long this traditional form of communication between the government and the governed can continue meeting the needs of Saudi society as it becomes more complex, but it is certainly functioning now. Saudi leaders pour much time and personal energy into this time honored tradition of "keeping in touch".

The U.S. Relationship.—The future relationship between the United States and the Gulf States is of deep concern to the United States and to them. In one country after another, they went out of their way to receive us in the most cordial manner possible. Nevertheless, concern about the future course of the bilateral relationship was apparent. No question exists that the leaders of the Gulf States continue to look to us for cooperation, friendship and support.

Foremost among specific concerns expressed was the "failure" of the United States to press for a just settlement of the Arab-Israeli problem. This theme was emphasized time and time again. They acknowledged that the United States was Israel's friend and would continue to support Israel, and they did not argue for the abandonment of Israel by the United States. They stressed, however, the need for a more balanced American policy.

The second area of concern was American strategic policy in the region. On this issue considerable variation in views was expressed. On one end of the spectrum were the Omanis who are publicly pro-American and anti-Soviet. Their views are shaped by several factors including traditional Omani ties to Africa and Asia, continuing close relations with the United Kingdom, and a keen sense of a direct Soviet threat. Several Omanis observed that Oman is the only Arabian Peninsula state which has confronted a Soviet-backed threat and defeated the South Yemeni supported rebels in Dhofar.

On the other end of the political spectrum are the Kuwaitis. Kuwaiti officials were the most candid. They alone argued for balanced non-alignment as the best course for the Gulf States. Close ties with the United States, according to many Kuwaitis, are not helpful. The Saudis, according to some Kuwaitis, only harm themselves by their close cooperation with the United States. Kuwait, the only Arabian Peninsula Gulf state with diplomatic relations with the Soviet Union, is actively urging the others to follow suit as a more balanced approach to the superpowers. So far, none of the others have been inclined to do so.

Save Kuwait and Oman, the Gulf leaders expressed mixed feelings toward closer strategic cooperation with the United States. All were well aware that the Soviet Union and Soviet-backed forces are a threat to their security and that should an overt attack on the region occur, their survival would depend on U.S. assistance. They, however, do not perceive a direct assault to be the primary threat. Subversion is considered a more serious challenge. Open military cooperation with the United States is used by political opponents as an instrument to

turn public opinion against the governments. Doubt exists whether the United States would use its military force effectively against the Soviets and a concern lingers that the United States might use its strength against the Gulf States themselves. Finally, many believe that the Soviets and their allies will concentrate their subversive effects against those most closely identified with the United States.

The Iran-Iraq War.—Recent events in the Iran-Iraq war have resulted in greater anxiety in the Gulf. Immediately following the outbreak of hostilities in September 1980, the Peninsular states were very worried that the war could either directly spill over to their side of the Gulf or that Shia militancy could cause internal problems.

All of the Gulf States support Iraq and some provide direct financial and logistic assistance. This assistance is based on a belief that the struggle is Arab against Persian and moderation against Iranian Islamic extremism. They are absolutely convinced that the Israelis are providing assistance to Iran in another anti-Arab action.

Since last summer the course of events in the war has changed. The initiative has been captured by the Iranians. The Iraqis are on the defensive. The smaller Gulf States would view an Iraqi defeat as a disaster, as would all the more moderate Arabs—Jordan, Sudan and Egypt. Therefore, it was not at all surprising to see Jordan offer volunteers to help Iraq. Furthermore, President Mubarak has indicated he would assist Baghdad if requested. Some fear an increasingly confident Iran may strike at them because of their support for Iraq.

Of more immediate concern are signs that the Iranians are once again in a position to export their revolution. This point was brought shockingly home last December when Bahraini officials nipped in the bud an attempt to overthrow the government. Dozens of Iranian trained Bahraini and other Gulf Shias were infiltrated into Bahrain with the intention of seizing the government and then calling upon Iran to support them.

One result of changing Iranian roles in the region has been greater emphasis on the Gulf Cooperation Council (GCC). Considerable progress has been made in establishing security and regional cooperation. Ministerial meetings are occurring at regular intervals and leaders talk to one another on almost a daily basis. Minor differences appear to have been put aside and areas of cooperation marked out. Serious issues, however, still divide the members, including future relations with Iraq, Iran and the United States.

Section IX

SYRIA

My brief visit to Syria provided an opportunity to meet again with Foreign Minister Khaddam and President Assad. Both sessions were marked by a desire on both sides to exchange views although areas of disagreement outweighed those in which we concurred.

The Syrian Government is facing serious domestic and international difficulties. At home, the minority Alawite-dominated government of President Assad must face a serious challenge from Islamic fundamentalists who receive most of their domestic support from the Sunni majority. External opponents appear to be assisting the domestic opposition. In the first two months of 1982, the President had to contend with a planned coup by army officers and heavy street fighting with Muslim Brothers in the provincial town of Hama.

On the international front the Syrian Government has faced growing isolation, dependence on the Soviet Union, and a weakening of its regional voice. The general decline of its international standing was broken by a temporary resurgence of Arab support as a result of Syrian-Israeli confrontations last year, including the crisis surrounding the Syrian missiles in Lebanon and the Israeli quasi-annexation of the Golan. Despite the temporary upsurge of support for the Syrians following these incidents, it is clear that President Assad does not enjoy the international support he once did.

The issues which appear to have alienated the Syrian Government from the other Arabs are Syrian policy toward Lebanon, support for Iran, and the brutality of the regime toward its own Sunni Arab population. Over the past several years, some of Syria's fellow Arab friends have become increasingly concerned that Syrian policy toward Lebanon was designed more to preserve Syrian control rather than to help reestablish the authority of the central Lebanese Government. Brutal shelling of civilian neighborhoods, Syrian-supported acts of terror and the blockage of central government actions to expand its authority have convinced many in the Arab world not to support the continuation of the Syrian presence. For the Peninsula Arabs the most threatening Syrian policy is its support for Iran in the war against Iraq. While all the Peninsula Arabs can understand Syria's continuing rivalry with the Iraqis they cannot understand how they can help an outside power against an Arab and, at the same time, join Israel, Libya and the Soviet Union in providing assistance to Iran. Finally, most Arab states are led by Sunni Arabs and they view with discomfort the brutal suppression of the Syrian Sunni majority by the Alawites. They also cannot see how Syria can join Israel in condemning out of hand the Fahd peace plan.

Despite these problems, President Assad gives the impression of being a man firmly in charge. I was told the Syrians were anxious to see us in order to maintain at least modest contact with the United States and to explore American thinking at this time. Although their views toward Middle East peace remain firm, they did claim a willingness to negotiate a settlement to the Arab-Israeli dispute based on U.N. Security Council Resolution 242. The Syrian leadership displayed a belief that they controlled the peace process because Syria alone, among the Arabs, now is a confrontation state. Of all the Arab states bordering Israel—Egypt, Syria, Jordan and Lebanon—only Syria continues to oppose Israel militarily. They discounted outside attempts to attain peace so long as Israel had the military prowess to act without regard to Arab armies.

SECTION X

MOROCCO

Morocco's political system is a mix of relatively modern institutions and traditional, mainly Islamic elements. King Hassan II rules over both elements as constitutional monarch and "Prince of the Faithful." He is a descendant of the Prophet Muhammad. Over the years the King has introduced a more representative form of government under his monarchy, but he has not hesitated to limit opposition when he believed it necessary.

Though officially non-aligned, Moroccan foreign policy has generally been pro-West and moderate, especially on Middle East questions. Foreign policy is determined by the King. His current preoccupation is gaining international recognition for Moroccan annexation of the Western Sahara. Other foreign policy goals include strengthening Morocco's influence in the Arab world, maintaining his position in the Islamic world, and serving as a bridge between the Third World and Western countries with whom he has important ties.

In friendly and candid meetings with King Hassan and other Moroccan officials, we concentrated primarily on the issues of the economy and the drought, the Western Sahara dispute, and the regional political situation.

The Economy and the Drought.—Morocco is facing economic problems resulting from a variety of factors including the collapse of the important phosphate market in 1976, slow growth (real GNP growth rate is below the population growth rate), high industrial unemployment and inflation which has outstripped wages. The severe drought which the country was experiencing—the worst in this century—greatly magnified these problems. There was little rain in 1980; and 1981 brought no relief at all until December. Rains which began during our visit continued through December, and were reasonably good in January and February.

The Moroccan economy is based primarily on agriculture. About two-thirds of the population is dependent on agriculture for its existence. Over one-third of Moroccan exports are agricultural and fisheries products. In 1981 the country produced only 2 million tons of grain, a catastrophic 54 percent below the expected 4.3 million tons. Animal deaths were double those in average years. Slaughter was 20 percent above normal because of food shortages. Animals were being sold for a fraction of their normal price. Dollar appreciation in 1981 contributed to Morocco's debt service ratio which is estimated to be above 30 percent. The projected budget deficit of $1.8 billion is over half of the government's general revenue of $3.4 billion. Export revenues are expected to cover only half of the cost of imports.

The economic difficulties have very serious social and political consequences. With continued drought, inflation and unemployment, farmers are expected to seek employment in the cities. Already thousands of farm families fleeing the rural areas have moved into shanty towns. The shanty towns are a political tinderbox that opponents of the King could attempt to ignite.

In late 1980 Morocco reached an agreement with the International Monetary Fund for a $1.2 billion loan. As a condition for IMF support, Morocco agreed to introduce an austerity program including raising the price of subsidized commodities. Riots ensued in Casablanca, resulting in over 100 deaths, several thousand arrests and a weakening of the economic measures. As a result, Morocco has been in a status of "noncompliance" with the IMF guidelines.

Western Sahara.—The Western Sahara is a former Spanish colony which was divided between Morocco and Mauritania after Spain withdrew in 1976. The Algerian and Libyan-backed Polisario Front has been waging war ever since to establish an independent Saharan Arab Democratic Republic (SDAR). In 1979 Mauritania relinquished all its claims. Morocco now asserts its sovereignty over the entire territory, basing its claim on historic Moroccan predominance in the region and a desire of "the majority." In 1975 the International Court of Justice ruled that Morocco had definite historical ties to the territory, but that they were not sufficient to justify Morocco's claim to sovereignty. The Organization of African Unity (OAU) has urged resolving the issue through a ceasefire and a referendum on the future of the territory. Last summer King Hassan proposed to the OAU summit a "controlled referendum" on the Western Sahara. The initiative was endorsed by the OAU, the Polisario's hopes of OAU recognition were frustrated, and criticism of Morocco in the OAU was reduced. In February of this year, however, an OAU-sponsored meeting on implementation of the referendum initiative ended without resolution of several important issues, including voter eligibility. [The question of Polisario representation in the OAU has not been resolved. A summit meeting scheduled for the summer of 1982 failed to achieve a necessary quorum because of a refusal by Morocco and like-minded states to attend if the Polisario were allowed to participate.]

The King told me that he feels Moroccan claims on the territory are absolutely correct and that his views are supported by the overwhelming majority of Moroccans. There should be no question of his intention to pursue them, and his call for a referendum demonstrates his confidence that the people of the Western Sahara will vote to align themselves with Morocco rather than with a Polisario government.

Morocco is making a major investment in developing the Sahara. I had the opportunity, accompanied by General Dlimi, to see conditions in the territory first-hand, traveling by airplane, helicopter, landrover and on foot. I visited towns and rural villages and met with businessmen, magistrates, councilmen, governors, workers, soldiers, and religious leaders. I saw an impressive amount of construction—schools, mosques, low-cost housing, roads and hospitals—and the beginnings of agricultural development where drilling for water has been successful.

In October 1981, the Polisario waged a successful military raid at Guelta Zemmur in the disputed territory against an unprepared Moroccan contingent. The Polisario used surface-to-air missiles and tanks, representing a new level of military sophistication which alarmed Moroccans. The King held the Libyans and the Soviets

responsible for supplying the arms and encouraging the Polisario. He also accused Mauritania of allowing Polisario guerrillas to operate from inside its border. The ability of the Polisario to launch such a raid and their possession of ground-to-air missiles and tanks shook the Moroccan military establishment.

Any increase in U.S. assistance to Morocco would be viewed with concern by Algeria. The Algerians are skeptical about Morocco's sincerity on the referendum and believe that more U.S. aid will encourage Morocco to seek a military solution.

Regional Political Situation.—King Hassan considers Algeria to be his main opponent in the region, the Western Sahara being the key issue which divides them. Libya is seen as another threat because of its support for the Polisario Front and because of its destabilizing actions in Africa generally. He also sees Soviet arms supply to Libya and others as a reflection of the Soviet desire for instability in Africa and the Middle East.

With regard to the Middle East, the King thinks that the breakup of the Arab summit in Fez in November 1981 will be interpreted by different parties according to their own interests. Some will emphasize the Saudis' failure to obtain approval of the plan proposed by Prince Fahd, and others will emphasize future opportunities for progress. Moroccans hope to host another summit, perhaps later this year.

United States-Morocco Relations.—The strong friendship which has existed between the United States and Morocco will continue. King Hassan has been friendly to the West, a force for moderation in the Middle East, and a courageous supporter of the peace process. The ravages of one of the worst droughts in Moroccan history has created immense difficulties for the Kingdom. Economic assistance from the United States and other friendly donors, within the limits imposed by budget constraints, should help Morocco meet these problems.

The cost of 6 years of war has extracted a heavy toll on the Moroccan economy and some observers believe it may have a damaging effect on the King's political position. A resolution of the Western Sahara conflict, therefore, is in the Moroccans' and the United States' interests. Peace would bring the promise of greater economic and social development in the region. The United States must urge the countries of the Maghreb to continue diplomatic efforts toward peace. The OAU could make an important contribution by calling for restraint by all parties and discouraging actions which would escalate the conflict.

The United States has a special responsibility to promote the peace process. It is in our interest to make clear that future military assistance is not intended to encourage a military solution. In the past, Congressional approval of U.S. military aid to Morocco has been accompanied by an admonition to work for a peaceful resolution. Morocco and the United States must also work closely to foster strategic cooperation. The U.S. Government has an interest in obtaining enroute access to facilities in Morocco as part of its Rapid Deployment Force strategy to protect Persian Gulf oil supplies.

Section XII

TUNISIA

I welcomed once again the opportunity to assess current political and economic developments in Tunisia. I held wide-ranging discussions with President Habib Bourguiba and other government officials.

Domestic Political Situation.—The figure of President Bourguiba looms large on the Tunisian political scene, as has been true for 40 years. Even though he is now eighty, President Bourguiba maintains predominance over Tunisian policymaking and politics. Replacing the man who led the nation since independence will not be easy.

The Tunisians are confronted with the problem of attempting to open the political system to greater participation while dealing with growing opposition. Critics of the Bourguiba regime claim that many irregularities occurred during National Assembly elections in November 1981. Nevertheless, the holding of contested elections can be seen as evidence of the movement for change.

Many observers believe that perhaps the greatest challenge to Tunisia's establishment may be from Islamic fundamentalists, who oppose the basically pro-Western and secular inclination of the Bourguiba government. Although they are not perceived presently as a serious threat to the control of the President's Destour Party, many believe they may be in the future. The fundamentalists have been able to exploit economic and social problems to criticize the policies of the government. Close to 100 fundamentalist activists were given stiff prison sentences last September. The detentions dealt a blow to the movement.

The government also is being challenged on the left. The Social Democratic Party, which claims to have attracted about 20 percent of the vote in the election as opposed to the official figure of 3.2 percent, view themselves as "agents of change" in Tunisia. They see the possibility of "an explosion" stemming from discontent among youth and labor. The Social Democratic Party is concerned about inflation, the elimination of food price subsidies, high unemployment, and the need to increase agricultural productivity to reduce the need for costly food imports.

The $1 billion the government plans to spend over the next 5 years to modernize its defense would be better spent on social programs, according to the Soviet Democrats. They view the Libyan threat as

serious and would like to see the United States improve its relationship with Libya and thereby use American leverage to lessen the threat to Tunisia rather than spending more on defense.

All opposition groups draw modest support from students and the trade union federation. Students are active politically and are worried about the lack of job prospects. Small organized groups of radicals on the left and right have been successful in mobilizing university students.

The government has taken measures to ease some of the growing tensions in the trade union. In April 1981, jailed leaders of the Tunisian trade union federation were released. Habib Achour, the most prominent critic of the government, was installed again as the head of the federation. Whether this less restrictive approach will succeed in blunting criticism is unclear.

Economy.—Tunisia's people, who have a reputation for being highly motivated and hard-working, have enjoyed a relatively high standard of living and degree of social stability. Tunisia's gross national product has grown in real terms at an average annual rate of over 7 percent during the last 10 years, with current per capita income approximately $1,210. As a net exporter of petroleum, it benefitted from the price rises of the 1970's. The tourist sector has been an important source of foreign exchange. Tunisia has also benefitted from a high level of remittances from Tunisian workers abroad.

Tunisia now faces several adverse trends, however. Oil revenues, which served as a major support for Tunisia's balance of payments, could diminish over the next 4 years. If no new major fields are found and brought into production by 1985, Tunisia could become a net oil importer, adding $1 billion to the 19`5 current account deficit. Amoco, Occidental, Marathon, Union Texas (Allied Chemical) and Cities Service are all involved in exploration and development in Tunisia.

The Gafsa incident of 1980, a Libyan attempt to undermine Tunisia's stability, brought home the need to modernize the military establishment. Over the next 5 years Tunisia plans to invest at least $1 billion to achieve the minimum goal of increasing its deterrent power. This program requires the government to use resources which in the past were available for social programs.

Unemployment is growing. According to official figures it is now at 15 percent. The weakened condition of many European economies, and political differences with Libya, have resulted in many Tunisian workers returning home, thereby exacerbating unemployment problems. According to some estimates Tunisia needs 50,000 new jobs per year just to maintain the current level of employment. Finally, 40 percent of the population is employed in agriculture which is facing serious problems. Improved productivity will require investment and policy reforms.

Regional Issues.—Tunisia maintains an officially nonaligned status and has friendly relations with East and West. President Bourguiba's foreign policy, nevertheless, has been one of moderation with a pro-

West emphasis. Tunisia strongly criticized the Soviet invasion of Afghanistan. The Tunisians have displayed moderation in Arab-Israeli issues. In 1965, while on the West Bank, President Bourguiba made the bold public assertion that the Arabs must realize that the State of Israel exists, and accommodate themselves to its existence. Subsequently, Tunisia has played an active diplomatic role in promoting a peaceful solution to the Arab-Israeli dispute. Nevertheless, they did not support the Camp David agreement because Palestinian interests were not "protected" and the agreement "appeared" to allow the Israelis to annex captured Arab land. Tunisia withdrew diplomatic recognition from Egypt, and Tunis became the new headquarters of the Arab League. Tunisian officials believe Egyptian reintegration into the Arab world would strengthen the position of the Arab moderates.

Colonel Qadhafi is of great concern to the Tunisians. Despite meetings between Colonel Qadhafi and the Tunisian leadership, many still believe he will continue to be a destructive and destabilizing force in the region. The presence of several thousand Tunisians in Libyan guerrilla training camps is viewed as a threat to their security. As a result, the Tunisians have supported many American efforts to counter Qadhafi. President Bourguiba believes that U.S. Senate resolutions in support of Tunisia have been helpful in meeting external threats by demonstrating American-Tunisian friendship and cooperation.

Tunisia's relations with France continue to be very warm, although they have been uneasy about the new French government's more "normal" relationship with Libya. The resumption of French arms deliveries to Libya is of particular concern. Tunisia's relations with neighboring Algeria are good. Over 1 million Algerian tourists visited Tunisia in 1980 as a result of President Chadli Bendjedid's relaxation of travel controls. Tunisia has been very interested in trying to keep open lines of communication between Morocco and Algeria on the Western Sahara issue.

Education.—Because youth represents such a significant portion of the Tunisian population (70 percent is under 26 years), and because many students are politically active, a special word about education is warranted. The Soviet Union and Soviet bloc countries are making an increasing investment in education programs in Tunisia. Educational exchanges between Tunisia and Communist countries have increased significantly for the third successive year. In 1980–81, the U.S.S.R. gave scholarships to 617 Tunisian students to study in the Soviet Union. The figure for the current year is 741, an increase of approximately 16 percent. The number of scholarships offered to Tunisia this year by all Communist countries increased from 435 in 1978–79 to 1,087 in 19 1– 2. Prior to 19 1 there were no regular Soviet students in Tunisia; during 1981–82 15 Soviet students have been studying in Tunis on Tunisian scholarships. An additional 80–100 Communist bloc students take courses at their countries' expense at the Bourguiba Institute of Foreign Languages.

The U.S.S.R. now has university faculty in three Tunisian cities. They wasted no time in sending three professors to the newly established Faculty of Mines in Gafsa, the important southern city which was the target of Libyan-trained Tunisian insurgents in January 1980. In contrast, the United States gives no scholarships to Tunisians and only 192 Tunisians are currently studying in the United States, primarily with the assistance of their own government.

CONCLUSION

The problems of the Middle East require urgent attention. Major changes are occurring in this vital region which could adversely affect American national interests for the foreseeable future. The Arab-Israel conflict, the Iraq-Iran war, and the crisis in Lebanon each require special efforts by the United States Government and cannot be ignored. The United States already makes a huge financial investment in this region which receives more than two-thirds of all our security assistance and has the largest developmental assistance program in the world. This assistance must be matched with a political commitment to expand American time and effort to resolve the problems of the region. Resolution of the problems is as much in our national interest as it is the interest of the regional states. A seemingly endless series of crises in the Middle East will weaken the United States as a world power and a force for peace.

Nearly all of those to whom I spoke agreed that an active American role is necessary for regional stability. The first step must be for the United States to recommit itself to facilitating a satisfactory resolution of the West Bank autonomy question. The historic steps already taken by Egypt and Israel may well go for naught if the promise of a comprehensive peace in Camp David is not fulfilled. The Israelis, the West Bank Arabs, the Jordanians and others must realize that the United States remains committed and is willing to use its influence to attain a just peace based on U.N. Security Council Resolution 242 and 338.

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APPENDIX

During my visit, regional leaders were gracious, thoughtful, and very candid in their discussions. They gave valuable time to my party and made particular effort to make my visit productive and worthwhile. Over a stay of this length, it is impossible to note all of those with whom we met and from whom we learned. I would like to provide a partial list with whom we spoke.

Morocco
- King Hassan
- General Dlimi

Tunisia
- President Bouriguiba
- Prime Minister Mzali

Israel
- Prime Minister Begin
- Foreign Minister Shamir
- Defense Minister Sharon
- Interior Minister Burg
- Deputy Foreign Minister Ben Meir
- Ambassador Arens
- Former Prime Ministers Rabin and Peres
- Mayor Kollek
- Former Defense Minister Weizman
- Civil Administrator for the Occupied Territories Milson

Jordan
- King Hussein
- Prime Minister Badran
- Chief of Staff Bin Shaker
- Information Minister Abu Odeh
- Foreign Minister Al-Qassim
- Senate Leader Bahjat Talhouni

Egypt
- President Mubarak
- Prime Minister Muhi al-Din
- Deputy Prime Minister Ali
- Defense Minister Abu Ghazala
- Minister of State Ghali
- Former Prime Minister Kamil

Sudan
- President Nimeiri
- Vice President Khalil
- Attorney General Turabi
- Parliament Speaker El Sayed
- Kordofan Governor Bushara

Saudi Arabia
- King Fahd
- Prince Salman
- Prince Saud
- Prince Turki
- Minister of Petroleum Yamani
- Minister of Commerce Solaim
- Minister of Finance Aba al-Khayl
- Minister of Planning Nazir

Oman
- Sultan Qaboos
- Foreign Minister Zawawi

United Arab Emirates
- Shaikla Saioor
- Former Foreign Minister Suwaydi

Qatar
- Amir Khalifa
- Crown Prince Hanod
- Minister of Information al-Kawari

Bahrain
- Amir Isa
- Prime Minister Khalifa
- Minister of Development Shirawi

Kuwait
- Amir Jabir Al-Ahmad
- Foreign Minister Sadah
- Defense Minister Salim
- Finance Minister Ali Khalifa
- Chairman of the Parliamentary Foreign Affairs Committee Jasim Al-Saqr

Syria
- President Assad
- Foreign Minister Khaddam

Lebanon
- President Sarkis
- Prime Minister Wazzan
- Foreign Minister Butrus
- Former President Chamoun
- Former Prime Minister Salam
- Phalange Party Leader Pierre Gemayel
- Phalange Militia Leader Bashin Gemayel

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